NEW BRUNSWICK CATTLE
MARKETING AGENCY

AGENCE DE COMMERCIALISATION
DU BETAIL DU NOUVEAU-BRUNSWICK

P.O. BOX 1508
FREDERICTON, N.B.
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NEW BRUNSWICK CATTLE MARKETING AGENCY

ANNUAL MEETING REPORT (1990)

MARCH 10, 1990

FREDERICTON INN

FREDERICTON, N.B.

Neville DeLong
Chairman

John Macknight,
Vice-Chairman

BEEF SOUNDS GOOD

NEW BRUNSWICK CATTLE MARKETING AGENCY

ANNUAL MEETING
March 10, 1990

TABLE OF CONTENTS

		Page
1.	Agency's History	1
2.	List of 1990 Board of Directors	2
3.	Annual Meeting Agenda	3
4.	1989 Annual Meeting Minutes	4
5.	Chairman's Report	8
6.	Board of Director's Report	9
7.	Inspector's Report	10
8.	NB Milk Marketing Board Report	12
9.	Audited Financial Report	13

AGENCY'S HISTORY

The New Brunswick Cattle Marketing Agency is the commodity group that represents the cattle producers interests in New Brunswick.

The Agency was established on October 31, 1983 under Section 4 and 6 of the Farm Products Marketing Act (O.C. 83-890) and the Agency's Regulation may be cited as the New Brunswick Cattle Marketing Plan Regulation (83-161).

Agency's Goals:

The Agency works on behalf of all beef producers of the province in order to foster a viable primary and secondary beef production, processing and marketing industry that is married with the physical and human resources of New Brunswick.

The Agency strives to attain a stronger and more stable beef industry for producers by mechanisms that will help the producers in many ways. These mechanisms or services are:

(a) Market information system.
(b) Educate producers with readings (newsletters) and seminars with new management techniques and marketing techniques.
(c) Promotion sectors
(d) Represent producers' interest in meetings.
(e) Develop policies programs.

****

1989-1990 BOARD OF DIRECTORS

*** District #1**

Mr. Garry Simonds

*** District #2**

Mr. Neville Delong, Chairman

*** District #3**

Mr. Allain Côté

***/ District #4**

Mr. John MacKnight, Vice-Chairman

*** District #5**

Ms. Jocelyn Wallace

***/ District #6**

Mr. Fred Wilson

*** District #7**

Mr. Henry Knight

***/ District #8**

Mr. Bob Bates

*/ 2 YEAR APPOINTMENT TO EXPIRE FALL 1990.

EACH DIRECTOR SERVES 2 YEAR APPOINTMENTS.

REPRESENTING THE NBMMB

Mr. Glen Price

NB CATTLE MARKETING AGENCY
ANNUAL MEETING

March 10, 1990
Fredericton, NB
10:30 a.m.

A G E N D A

Part 1 — *BUSINESS*

10:30 a.m.

1. *Welcome and Call to Order*
2. *Motion to Accept Agenda*
3. *1989 Annual Meeting Minutes*
4. *Chairman's Report*
5. *Board of Directors Report*
6. *NBCMA Inspectors Report*
7. *C.C.A. Report*
8. *NB Milk Marketing Board Report*
9. *Audited Financial Report*
10. *NB Federation of Agriculture Report*
11. *Resolutions*

12:00 p.m. — *Lunch - ON YOUR OWN*

Part 2 — *EDUCATIONAL*

1:30 p.m. Minister of Agriculture - *Hon. Alan Graham*
1:40 p.m. Provincial Meat Inspection - *Merritt Scott*
2:00 p.m. Pasture Rejuvenation - *Dr. Ann Clark*
2:45 p.m. Overview of Proposed Trans Canada Highway - *Darrell Manuel*
3:15 p.m. S.A.L.I. Announcement - *Agriculture Canada*
4:00 p.m. Adjournment

ANNUAL MEETING 1989

CHAIRMAN NEVILLE DELONG CALLED THE 1989 ANNUAL MEETING OF N. B. CATTLE MARKETING AGENCY TO ORDER AT 10:40 AM. THE MEETING WAS HELD AT KEDDY'S MOTOR INN, FOREST HILL ROAD, FREDERICTON.

IN HIS WELCOMING REMARKS THE CHAIRMAN NOTED THE ADVERSE WEATHER CONDITIONS - APPROX. 7" OF SNOWFALL AND VERY HAZARDOUS DRIVING CONDITIONS- AND THE EXPECTED EFFECT ON ATTENDANCE. APPROXIMATELY 50 WERE IN ATTENDANCE.

MOTION H. KNIGHT/ R. ACTON

TO ACCEPT THE AGENDA AS PRESENTED. MOTION CARRIED

MINUTES OF 1988 ANNUAL MEETING WERE APPROVED AS READ. SEE 1989 ANNUAL REPORT FOR CONTENT OF THIS AND FOLLOWING REPORTS.

CHAIRMAN'S REPORT PRESENTED BY NEVILLE DELONG, PRESIDENT
BOARD OF DIRECTORS ANNUAL REPORT PRESENTED BY PAUL BECKERS, DIR
INSPECTORS ANNUAL REPORT PRESENTED BY JOHN MACKNIGHT, INSPECTOR
CANADIAN CATTLEMENS ASSOC. REPORT PRESENTED BY ROBERT ACTON, DIR-N.B. REP.
N. B. MILK MARKETING BOARD REPORT R=PRESENTED BY ROGER KAYE

MR. TED PRATT OF N. B. AGRICULTURE PRESENTED AN EXECUTIVE REPORT OF THE A.L.F.I. PROGRAM. HE OUTLINED IT TO BE A $13.0 MILLION AGREEMENT WITH 20% PROVINCIAL FUNDING FACTOR. THE PROGRAM HAS THREE THRUSTS: LIVESTOCK SELF SUFFICIENCY, TECHNOLOGY COMPONENT AND A MARKETING COMPONENT. HE ESTIMATED EXPENDITURES FOR THE FIRST THREE YEARS AT $8.9 MILLION WITH $4.3 MILLION REMAINING FOR THE FINAL TWO YEARS OF PROGRAM OPERATIONS.

HE COMMENTED THE STRIVE FOR SELF SUFFICIENCY IN FORAGE IS DOING WELL WITH AN ADDITIONAL 7000 ACRES OF INCREASED ACREAGE OF ALFALFA AND TREFOIL. MONETARY INCENTIVES PAID WERE $210,000 FOR FIRST TWO YEARS. HOWEVER, THE GRAIN INCREASE WAS LESS THAN ANTICIPATED. DURING THIS TIME A TOTAL 463 PRODUCERS RECEIVED $1.25 MILLION IN ASSISTANCE ON 23,000 TONNES OF INCREMENTAL INCREASED PRODUCTION. ONE HUNDRED AND THIRTY-SEVEN PRODUCERS RECEIVED $74,500 FOR IMPROVING PASTURES.

HE THANKED THE CATTLE AGENCY FOR ITS WORK IN HAVING THIS PARTICULAR COMPONENT ADDED. THE AVERAGE PASTURE INCENTIVE WAS $545 PER PRODUCER APPLICANT. HE STRESSED, HOWEVER, PERENNIAL PASTURE MUST FOLLOW AN ANNUAL CROP TO QUALIFY. HE ALSO EMPHASISED CONTROL GRAZING IS MANDATORY.

UNDER THE TECHNOLOGY COMPONENT $94,000. HAS BEEN PAID OUT FOR FIRST TWO YEARS OF OPERATION.

UNDER THE MARKETING COMPONENT $1.3 MILLION HAS BEEN PAID. THIS PAST YEAR SAW INCREASED ACTIVITY HERE DUE TO TRANSFER OF MANY A.F.A. APPLICATIONS BEING DIVERTED. THIS COMPONENT COVERS SUCH

THINGS AS ON-FARM INVESTMENTFOR SILO, SOME EQUIPMENT, ETC. WITH THE ABSENCE OF A RENEWED A.F.A. AGREEMENT IT IS EXPECTED THERE WILL BE MORE DEMAND ON THE A.L.F.I. FUNDS, HOWEVER, BE AWARE THERE IS A LIMIT OF $15,000 PER FARM. TWO YEARS REMAIN IN THE AGREEMENT.

FRANKLIN JOHNSON, DIRECTOR OF LIVESTOCK WAS INTRODUCED. MR. JOHNSON INDICATED A1, A2 PRICES ARE EXPECTED TO REMAIN IN THE 88-93 LEVEL FOR TORONTO DURING 1989. FEEDER PRICES TO REMAIN FIRM WITH WEAKER GRAIN PRICES. HEAVIER CARCASS WEIGHTS ARE PREDICTED. CONCERNING THE BEEF FINISHING INCENTIVE PROGRAM, THERE HAVE BEEN SOME PROBLEMS WITH THE BANKS ON IMPERPUTATION AND IMPLEMENTATION OF INTEREST DEFERRALS. TODATE 134 BORROWERS WRE LOANED $1.7 MILLION ON A $2.0 MILLION INVENTORY VALUE. INTEREST DEFERRAL COST FOR THE PROVINCE IS EXPECTED TO BE $200,000. THREE THOUSAND HEAD ARE ENROLLED.``MR. JOHNSON STATED THE PROGRAM WILL OPERATE AGAIN IN 1989 BUT ONLY FOR SEPTEMBER, OCTOBER AND NOVEMBER.

THE BULL BONUS BUDGET ALLOCATED FOR 1988-1989 WAS $69,000. THIS WAS INSUFFICIENT AND APPROXIMATELY $20,000. WAS DEFERRED FOR PAYOUT IN 1989-90. HE ACKNOWLEDGED THE AGENCY REQUEST FOR IMPROVEMENTS AND ADDED BONUS, BUT EMPHASIZED MORE MONEY MUST BE PROVIDED BY DEPARTMENTAL BUDGET TO SATISFY THE AGENCY REQUEST.

HIS UPDATE ON TRIPARTATE STATED 200 PRODUCERS ARE NOW ENROLLED. ONE-THIRD ARE COW-CALF ENROLLEES AND TWO-THIRDS ARE FEEDER-SLAUGHTER ENROLLEES. RECOMMENDED THIS PROGRAM TO PRODUCERS.

THE MANAGER, WILLIAM LUNNIE, PRESENTED THE SUMMARY FOR THE HERD HEALTH PROJECT. THE PROJECT ADMINISTERED ON BEHALF OF A.F.A. DIRECTORATE HAS OPERATED FOR THREE YEARS. IT WAS PUT IN PLACE TO ACCELERATE THE TECHNOLOGY OF IMPROVED CALF PRECONDITIONING, HANDLING FACILITIES AND PREVENTIVE HERD HEALTH. IT WAS INDICATED THE BOARD FELT THE PRECONDITIONING ASPECT WAS SUFFICIENTLY PROMOTED AND SHOULD BE DROPPED. HOWEVER, IT IS THE DESIRE OF THE BOARD TO CONTINUE ON-FARM HANDLING AND PREVENTIVE HERD HEALTH UNDER A RENEWED A.F.A. AGREEMENT.

BRIAN SAUNDERS OF TEED, SAUNDER AND DOYLE ACCOUNTING FIRM, PRESENTED THE AUDITED FINANCIAL STATEMENT FOR YEAR ENDING AUGUST 31, 1988. THESE WERE ACCEPTED BY MOTION BY R. KAYE/H. KNIGHT MOTION CARRIED.

ONLY ONE RESOLUTION WAS PRESENTED AS FOLLOWS:

WHEREAS NEW BRUNSWICK FARMERS SELL MANY OF THEIR CATTLE TO CATTLE DEALTERS.

WHEREAS A NEW BRUNSWICK FARMER WHO MAKES A CATTLE SALE TO A DEALER IS NOT PROTECTED FROM FINANCIAL LOSS IN THE EVENT OF RECEIPT OF A NSF CHEQUE FROM OR FORECLOSURE UPON, THE CATTLE DEALER.

THEREFORE BE IT RESOLVED THAT REGULATIONS BE ESTABLISHED WHICH WOULD REQUIRE THAT ANY CATTLE DEALERS DEALING WITHIN THE PROVINCE OF NEW BRUNSWICK BE LEGALLY BONDED.

SUBMITTED FROM DISTRICT #5

MOVED BY R. ACTON/ J. MACKNIGHT TO ACCEPT. MOTION CARRIED.

QUESTIONS THAT AROSE PRIOR TO ACCEPTANCE WERE:

1. WHO WILL PAY COSTS?
2. WHAT ABOUT DEALERS BEING SECURED AGAINST LOSSES ON SALES?

MR. JOHNSON SUGGESTED THE AGENCY MAY WANT TO REVIEW SIMILAR LEGISLATION IN ONTARIO IN DEVELOPING SUCH A POLICY.

LUNCH BREAK

TO BEGIN THE PM SESSION MR. J. MORRISON SPOKE AS A DESIGNATE OF THE HON. ALLAL GRAHAM.

MR. GRAHAM WAS UNABLE TO ATTEND, HOWEVER, HIS PREPARED NOTES INDICATED HIS FEELING THAT THE QUALITY OF THE N.B. BEEF PRODUCERS HAS IMPROVED AND THAT HIS DEPARTMENT IS CONINUALLY STRIVING FOR NEW MARKETS. THE PROVINCE (AGRICULTURE) HAS CONTRIBUTED $20,000. TO THE "SHOWS 1990" PROJECT IN PLANNING.HE BELIEVES THIS PROJECT HAS A POTENTIAL TO ADD UP TO $1.0 MILLION IN CATTLE SALES FOR N.B. HE SUPPORTED THE TRIPARTATE AGREEMENT AND IS WORKING HARD FOR THE IMMEDIATE RENEWAL OF A.F.A. AGREEMENT. MR. MORRISON PROCEEDED TO PROVIDE THE AUDIENCE HIS PHILOSOPHY FOR AGRICULTURE DEVELOPMENT BOARD ACTIVITIES.

MARY STEWART OF BEEF INFORMATION CENTRE, CCA (TRURO) GAVE A VERY GOOD PRESENTATION ON THE INDUSTRY PROMOTIONAL ACTIVITIES. THIS IS A $4.5 MILLION BUDGET PROVIDED BY THE INDUSTRY. THE BASIC THRUST IS CONSUMER EDUCATION AND PROMOTION. MS. STEWART OUTLINED THE MAJOR CONSUMER CONCERNS RE BEEF CONSUMPTION

1.) HEALTH IE.CONCERNS OVER FAT, CHOLESTEROL INTAKE.
2.) ANTIBODIES IN BEEF - 19% USE THIS AS REASON FOR REDUCING BEEF CONSUMPTION

MOTIVATORS FOR INCREASING CONSUMPTION ARE:

1.) PRODUCT TENDERNESS - 65% RESPONSE RATE.
2.) NUTRITIONAL VALUE
3.) CHEMICAL FREE
4.) TASTE - 25% RESPONSE RATE

THE 88-89 CAMPAIGN EFFORTS WILL EMPHASIS:

1.) BEEF IS WHOLESOME
2.) ADDRESS QUALITY CONCERNS
3.) NEW PRODUCTS AND MERCHANDISING

THE TARGET AUDIENCE WILL BE PEOPLE WHO PRESENTLY CONSUME 1-3 BEEF SERVINGS/WEEK. THE T.V. ADVERTISING BUDGET FOR ATLANTIC CANADA IS $130,000.

PRODUCERS SHOULD WATCH FOR THE "COOK BY COLOUR" RECIPE STICK-ONS AT THE RETAIL LEVEL. THE COLOUR CODING RELATES TO THE CUT QUALITY THE CONSUMER WISHES TO PURCHASE. IN A RECENT STUDY IT WAS CLEARLY RESEARCHED MANY CONSUMERS DO NOT RIGHTLY COOK AND PREPARE THEIR BEEF MENUS. THIS IS PRIMARILY DUE TO CHANGES IN PRODUCT QUALITY OVER THE YEARS. FOR EXAMPLE A1 DOES NOT COMPARE TO A1 OR "RED BRAND" OF 10 YEARS AGO, THUS PREPARATION IS DIFFERENT.

MR. LORNE GOLDSTEIN, SCHEDULED SPEAKER, CANCELLED.

DURING THE CONCLUDING QUESTION PERIOD DISCUSSION AROSE WHY THE PROVINCES EMPHASIS THE SLAUGHTER TRADE AND PAY LITTLE ATTENTION TO FEEDER TRADE AND POSSIBLE IMPROVEMENTS. MR. LEVINE STRESSED THE PROVINCES SHOULD MORE ACTIVELY ENCOURAGE EXPORTING OF FEEDER CATTLE.

ANOTHER PRODUCER SUGGESTED SOME FORM OF "GRADING" FEEDERS. THIS WOULD ALLOW PRODUCER TO BETTER INFORM HIMSELF AND RELATE HIS QUALITY TO MARKET PRICING QUOTATIONS. ANOTHER PRODUCER CONCERN IS A SEVERE COYOTE PROBLEM. ONE PRODUCER LOST CATTLE AND GOT NO SATISFACTION FROM COMPLAINTS - OTHER THAN THE 16 COYOTES WERE SHOT. REQUEST TO HAVE AGENCY LOBBY FOR BOUNTY.

THERE WAS AN APPEAL TO HAVE THE AGENCY MEMBERSHIP ELECT STRONG, WELL INFORMED PRODUCERS TO THE BOARD LEVEL WHO IN TURN FULLY UNDERSTAND INDUSTRY PROBLEMS AND CAN RATIONALIZE FUTURE IMPLICATION WHEN DESIGNING POLICIES AND INTERPUTING PRODUCER CONCERNS IT WAS FELT PERHAPS TOO MUCH RESPONSIBILITY AND DECISION MAKING WAS BEING DONE BY THE MANAGER. SUGGESTED THE DIRECTORS BE BETTER PREPARED TO RESPOND TO DIRECT QUESTIONING.

THE FINAL QUESTION ASKED WAS, WHAT BECAME OF THE PROPOSAL TO CHANGE THE CHECK-OFF SYSTEM? THIS WAS DIRECTED BY THE MEMBERSHIP IN DECEMBER MEETING. IN RESPONSE THE CHAIR ADVISED THAT THE LEGAL ASPECTS WAS REVIEWED AND ONLY YESTERDAY (APRIL 21, 1989) WAS THE FORMULATION APPROVED. FURTHER HE ADVISED IT WILL BE IMPLEMENTED (IE, ONE-TIME CHECK-OFF) AS SOON AS POSSIBLE AND EXPECTED NO LATER THAN JULY 01, 1989.

BEING NO FURTHER BUSINESS OR QUESTIONNING THE MEETING ADJOURNED ON MOTION AT 3:30 PM

SIGNED NEVILLE DELONG, CHAIRMAN_____

WILLIAM LUNNIE, SECRETARY, MANAGER_____

CHAIRMAN'S REPORT

It is my pleasure to welcome everyone here today to the New Brunswick Cattle Marketing Agency's 6th Annual Meeting. I wish to encourage you, cattle producers to participate in the deliberation of this Annual Meeting to evaluate your organization in progressing with new ideas representing your needs.

I trust, that by the end of this meeting, everyone here will be better informed on the activities and realization of the Agency and about the importance of having a strong organization to represent you, the cattle producers.

The Agency is a producer organization which represents all aspects of the beef industry. The Agency has chosen to work towards reaching a more profitable and viable market place for our beef industry. Supported by a report from the Canadian Cattlemen's Association, the beef industry is the largest single contributors to farm income.

1989 has been an eventful year. The directors have worked hard to fulfil requests and needs of producers. I think the change to a one time kill levy will serve producers as well as cattle dealers and the cattle industry as a whole, more efficiently.

The new Co-Operation Agreement, along with the SALI program, will help producers update their operations and become more profitable.

We were sorry to see Bill Lunnie return to the Department of Agriculture, but we feel that during the year that he was our manager, the Agency made great strides in fulfilling the needs of the producers.

In 1990 it looks very promising for the Agency. Many changes are coming about in the cattle industry and producers have to adapt to be able to compete in the market place. On January 1, 1990, the Agency took on the task of administering the National Tripartite Stabilization program.

In closing, I would like to thank the Board of Directors, Stephen Henry, our new Manager, and Michelle Beattie, our secretary, for their hard work and dedication.

Respectfully Submitted

Neville DeLong
Chairman

BOARD OF DIRECTORS REPORT

We began the year by employing William Lunnie to serve as Manager for one year. This was done by arrangement with his employer, NB Agriculture, to provide up to one year leave of absence from his position. Bill began October 01, 1988 and finished September 14, 1989 at which time Stephen Henry, our current Secretary-Manager, began, as well as an office secretary Michelle Beattie.

During the year, six board of directors meetings, one tele-conference and two executive meetings were held for the purpose of managing the Agency. Some of the issues dealt with were: The National Tripartite Stabilization Plan for Beef, closure of the kill line at the Fredericton Plant, changes to the levy system and the availability of industry assistance.

Our Agency became very involved in promoting Tripartite to producers. Because of this, 171 producers have enroled. We also actively negotiated for the administration of Tripartite through our office. It was expected we could assume administration and delivery early in 1990. (Note: the Agency did receive tripartite on January 1, 1990)

The closure of the kill line at the Simon's plant probably caused more anxiety than actual financial loss to any particular producers. It is not, however, a situation we welcomed and work continues on the future of that plant.

As you know, the levy system was changed, effective August 1, 1989, to a one-time-only levy at the time of slaughter. This system is proving to be more manageable for all involved.

This year, producers were once again offered financial incentives to improve herd handling facilities and pre-conditioning. Approximately $25 000. were provided to 100 or more participants. Programs, delivered by NB Agriculture were continued for pasture and forage production and improvements. In addition, incentives for silage and round bale applicators were finally introduced after two years of lobbying.

Numerous presentations and briefs were made for industry needs. Producers will be made aware of programs when "official" decisions are given.

In conclusion, we feel much progress has been made this year. Remember, it is with your participation and interest that your organization can grow and develop to better serve your industry. We look forward to working with Stephen and Michelle. Please feel free to call them at anytime.

Respectfully Submitted
Board of Directors

INSPECTOR'S REPORT

Over the past year there has been a major change in the collection of our levy system. At the onset, we were hoping that the change in the collection of levies would eliminate the majority of our problems in the collection, unfortunately it has not turned out that way, but it has simplified the procedure to some degree.

The directors were hoping for a bit more good will on the honour system from our producers in that any animal slaughtered that the $3.00 per head would be sent into the Agency, as this is pretty well the only source of revenue the Agency relies on. I have not been overly enforcing the legislation that exists but I must remind you that the powers are still there and can be enforced. One of the other factors are the legal fees and court costs involved in laying a charge. At present, we have 49 dealers licensed and there are approximately 28 slaughter facilities in the province.

If the slippage continues, it will certainly mean some charges being laid, this includes non licensed dealers as well as the slaughter facilities who may not be collecting the levies.

To bring you up to date on the licensing order, it reads:

> Any person who purchases, buys or acquires cattle for a purpose other than raising said cattle shall, on or before the 31st day of August of each year, register with and apply to the Agency, in such form as the Agency deems necessary or appropriate from time to time, for a class "A" license.

The levy order reads:

> The Agency hereby fixes and imposes a levy payable to the Agency in an amount fixed at $3.00 on each head of cattle marketed by:
>
> (A) a producer, or
> (B) any person engaged in the production or marketing of cattle, to any person who is an owner or operation of an abattoir, or to any person engaged in the processing of the regulated product

Method of Payment:

All owners or operators of abattoirs, or any persons engaged in the processing of the regulated product shall:

(A) collect the levies payable to the Agency according to the rates prescribed in section 3 of this order, for every head of cattle marketed by a producer or person engaged in the production or marketing of cattle

(B) forward the levies collected, to the Agency by the 15th day of the month following the month of the marketing of the said cattle

In closing, I would like to thank the dealers and producers for their cooperation and support in the past. It is through this type of cooperation that our Agency can reach its full potential.

Respectfully Submitted

John MacKnight
Inspector

NEW BRUNSWICK MILK MARKETING BOARD

Report to the Annual Meeting
of the
New Brunswick Cattle Marketing Agency
by
Mr. John E. Robinson, Chairman

Roger Kaye has asked to be replaced as the New Brunswick Milk Marketing Board's representative on the New Brunswick Cattle Marketing Agency's Board of Directors due to time constraints. I would like to thank Roger for the time and effort he has contributed to this on behalf of dairy producers. Glen Price is replacing Roger as the Milk Marketing Board director on the Cattle Agency's Board. I am sure Glen will be as active a participant of your Board as he is of the Milk Board.

Agriculture is now, and will be in the future, under tremendous pressure to maintain its share of Canadian, as well as international, markets. We will be required to look for new opportunities as a result of free trade, the GATT negotiations, and changing agricultural policies within Canada. Our commodity boards and organizations must protect our interests in this changing environment. We have to adapt to changes and be progressive in our attitudes, but we must also protect the programs and policies that work for us until we are convinced something better has been developed.

Within New Brunswick there appears to be an attitude and an opportunity to increase beef production. With new ideas being promoted in pasture management, and the fact that we can grow a tremendous amount of grass and other crops suitable for livestock pasture in New Brusnwick, this should be possible. With the new federal-provincial Agreement, there appears to be programs which should not only promote beef production, but should also help develop new opportunities in marketing.

In developing your programs, I would ask you to keep in mind the fact that a large amount of beef marketed in New Barunswick comes from the dairy industry. If it were possible for your organization to develop programs that would improve this market for cows and calves, it would benefit us all.

On behalf of the New Brunswick Milk Marketing Board, I wish you a successful annual meeting and a progressive year.

02/26/90

NEW BRUNSWICK CATTLE MARKETING AGENCY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 1989

Auditors' Report

Balance Sheet

Statement of Revenue and Expenses and Deficit

Notes to Financial Statements

TEED SAUNDERS DOYLE & CO.
Chartered Accountants

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Priestman Centre
565 Priestman Street
Fredericton
New Brunswick
E3B 5X8

Tel 506 458 8727

Fax 506 450 3777

TEED
SAUNDERS
DOYLE & CO.
Chartered Accountants

AUDITORS' REPORT

To the Members of New Brunswick Cattle Marketing Agency

We have examined the balance sheet of the New Brunswick Cattle Marketing Agency as at August 31, 1989, and the statement of revenue and expenses and deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

The Agency derives part of its revenue from check-off service charges and dealers' licences, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our examination was limited to accounting for the amounts recorded in the accounts of the Agency, and we were not able to determine whether any adjustments might be necessary to this revenue, excess of revenue over expenses, assets or deficit.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly the financial position of the Agency as at August 31, 1989, and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Teed Saunders Doyle & Co.

CHARTERED ACCOUNTANTS

September 21, 1989

Fredericton Partners
Brian J. Saunders
Ralph D. Gorman
David H. Bradley

Saint John Partners
John H. Teed
David L. Doyle

NEW BRUNSWICK CATTLE MARKETING AGENCY

BALANCE SHEET

AS AT AUGUST 31, 1989

ASSETS	1989	1988
CURRENT ASSETS		
Cash	$ -	$ 170
Accounts receivable	4,385	13,079
	4,385	13,249
FIXED ASSETS (note 2)		
Equipment at cost	18,082	18,082
Less accumulated depreciation	11,220	7,604
	6,862	10,478
	$ 11,247	$ 23,727
LIABILITIES AND DEFICIT		
CURRENT LIABILITIES		
Bank advances (note 3)	$ 20,803	$ 20,000
Accounts payable and accrued liabilities	5,226	18,129
	26,029	38,129
DEFICIT	14,782	14,402
	$ 11,247	$ 23,727

Approved by the Board

_____
Director

_____
Director

TEED SAUNDERS DOYLE & CO.

NEW BRUNSWICK CATTLE MARKETING AGENCY

STATEMENT OF REVENUE AND EXPENSES AND DEFICIT

FOR THE YEAR ENDED AUGUST 31, 1989

	1989	1988
REVENUE		
Check-off service charges and dealers' licences	$ 40,914	$ 40,764
Government grants (note 4)	96,647	112,088
	137,561	152,852
EXPENSES		
Staff salaries and benefits	47,574	15,347
Staff expenses	2,293	2,208
AFA-1 program	35,450	80,979
Interest and bank charges	6,423	4,148
Board of directors	7,873	6,402
Rent	4,800	2,725
Office and postage	6,923	4,664
Telephone	7,098	8,141
Professional services	6,830	3,523
Promotion and dues	-	8,643
Depreciation	3,616	2,160
Miscellaneous	816	1,346
	129,696	140,286
EXCESS OF REVENUE OVER EXPENSES BEFORE EXTRAORDINARY ITEM	7,865	12,566
EXTRAORDINARY ITEM (note 5)	8,245	-
EXCESS REVENUE (EXPENSES) FOR THE YEAR	(380)	12,566
DEFICIT AT BEGINNING OF YEAR	14,402	26,968
DEFICIT AT END OF YEAR	$ 14,782	$ 14,402

TEED SAUNDERS DOYLE & CO.

NEW BRUNSWICK CATTLE MARKETING AGENCY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 1989

1. SIGNIFICANT ACCOUNTING POLICY

Equipment

Equipment is stated at cost. Depreciation is provided on the straight-line basis over five years.

2. FIXED ASSETS

	1989			1988
	Cost	Accumulated Depreciation	Net	Net
Computer hardware	$ 5,068	$ 5,068	$ -	$ 1,012
Computer software	2,330	2,330	-	466
Office furniture and equipment	10,684	3,822	6,862	9,000
	$ 18,082	$ 11,220	$ 6,862	$ 10,478

3. BANK ADVANCES

The bank advances are secured by a general assignment of book debts and a guarantee from the Department of Agriculture in the amount of $40,000.

4. GOVERNMENT GRANTS

	1989	1988
AFA-1 funding, Agriculture Canada	$ 75,652	$ 78,326
N.B.C.M.A. incentive program	20,995	33,762
	$ 96,647	$ 112,088

5. EXTRAORDINARY ITEM

During the year, a theft of funds by an employee occurred in the amount of $8,245. The employee was subsequently released and efforts to recover the funds failed.

A quarter-century of rotational grazing

Moving cows between pastures every few days is routine to the Maxwells. They've been doing it almost as long as they've been farming

by MARC BERARD

LISTEN IN on a discussion between farmers, and chances are you'll hear talk about pasture management. The days of animals grazing a single large pasture summer-long seem to be numbered. Today, more stock on fewer acres is the name of the game.

Improved electric fencing equipment is giving second wind to the movable pasture concept. Animals can graze inside a strip that changes daily — maybe even twice a day. Rotational grazing is also moving from text book to farm field. On paper, it makes sense to divide traditional pastures into smaller paddocks for animals to graze in sequence. But many producers still wonder if it works.

Roland and Shirley Maxwell say it does. And they have the experience to back that statement up. At their farm near Lachute, Que., they've had a rotational grazing system for 25 years.

Until 1988, about 35 milking cows grazed 28 acres divided into 14 paddocks. After a fire destroyed their barn 18 months ago, the Maxwells decided to switch to beef cattle. The rotational system stayed. "If it worked for milk cows," says Roland, "I figured it would surely work for beef cattle." By June this year, the beef herd had reached 21 head.

He became a rotational grazing convert quite early on, after joining about 45 other producers looking for ways to maximize profitability. An agronomist who led the group was an advocate of pasture improvement and rotational grazing. "I guess he was a bit ahead of his time," Roland recalls, "but I was impressed with his ideas. And when I tried them, they worked."

He's the first to admit, though, that proper rotational management is simple, but difficult at the same time — "difficult because you must discard old pasturing habits."

Gradual changes

Through a series of gradual changes, the Maxwells divided their big pasture into 14 two-acre paddocks. A few have now been left unworked for as long as 40 years. These older stands contain a cocktail of red clover, timothy, and alsike clover. "They're doing fine and we're satisfied," says Roland, "so why work them under?" Orchard grass and ladino clover mixtures flourish in other paddocks. He prefers orchard grass to timothy because it has a more lush growth and drought resistance.

Depending on the year, cattle are turned out in mid-May and spend half of each day on pasture during the first weeks. Once the soil is dry and hard, they stay one to 3 days in each paddock.

"Good pasture management means letting cattle graze as soon as possible, and reducing supplemental feeding as pasture growth picks up," Roland explains. It also means a tightly controlled rotation schedule. His goal is to avoid having large areas head out and lose palatability and nutritional value. When cattle can't keep up, he cuts the excess growth for hay.

Once stock graze a pasture down to between 3 and 4 inches, they're transferred to another paddock. Timing the move is tough since grazing is never even. After a paddock is emptied, Roland may make a pass with his mower set 3 or 4 inches above ground. "The clippings get picked up the next time animals are in that paddock," he explains.

If workload and weather conditions permit, just-grazed paddocks are harrowed to spread manure. "Ideally, we like to chain harrow at least once a year, especially in the fall as soon as the animals are off," says Roland. He figures it's more important to rotate stock than to harrow paddocks, though.

He sometimes uses Roundup before re-establishing a stand, and doesn't hesitate to inspect paddocks and hand pull escapes. Fertilizer rate and formulation are based on soil test results and the proportion of legumes in a mixture. Roland is a strong believer in split applications: "They're better than one big shot, even at the ideal time. Split applications are more work, but the results make up for it."

Single-wire electric fencing divides the paddocks. With today's improved insulators, this system works well. Provided cattle have enough good forage to eat, they are content to remain inside the hot wire. They always have access to water troughs in the main lane. Fence layout also allows a tractor and implement easy access to all paddocks.

The Maxwells stick to the machinery essentials: mower, baler, seeder, disk harrows, tooth harrows, and a good chain harrow. The 2 old tractors they started out with were replaced with new machines a few years ago. Spraying and cereal harvesting are handled by a neighbor who does custom work.

"Rotational grazing works for us and we think it can work for others," Roland concludes. "Too many producers establish new pastures too quickly," he figures. "By using techniques like rotational grazing to make existing pastures more productive, they'd probably be better off."

A long-time advocate of rotational grazing, Roland Maxwell tries to maximize productivity from existing pastures rather than having to establish new ones